

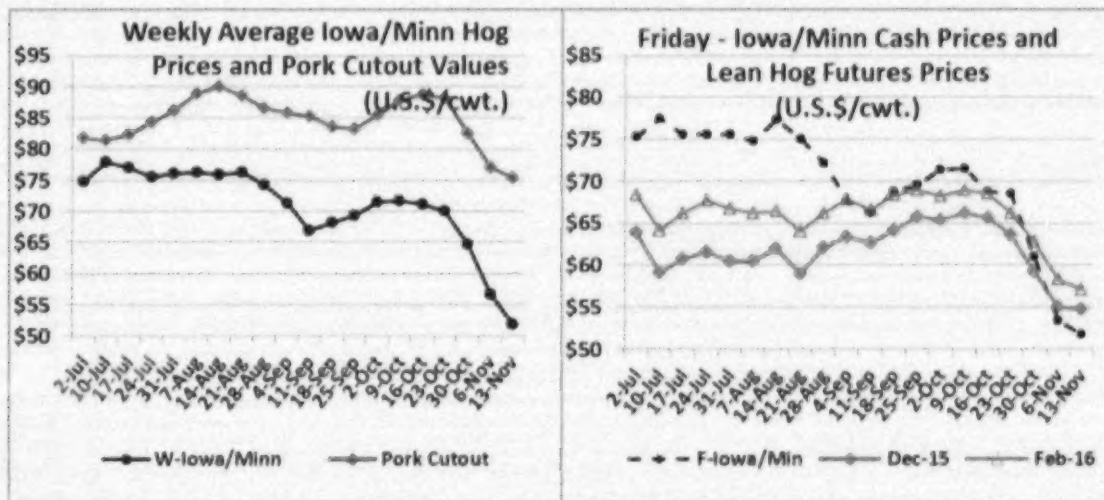
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Weekly Hog Report

November 16, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) continued lower last week with record weekly U.S. pork production. U.S. weekly hog slaughter numbers were extremely large with numbers not achieved since December 2012. Hog prices on Friday Nov. 13 averaged US\$51.73 per cwt, down US\$1.69 per cwt or 3.2 per cent from US\$53.42 per cwt the previous Friday. The negotiated base price last week averaged US\$51.91 per cwt, down US\$4.73 per cwt or 8.4 per cent from US\$56.64 per cwt the previous week. Price spreads between pork cutout values and cash hog prices are above the normal spreads.



Source: LMIC

Source: LMIC, CME

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday November 13, 2015 was \$126.11 per ckg, down \$6.20 per ckg or 4.7 per cent from \$132.31 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged \$127.06 per ckg, down \$11.96 per ckg or 8.6 per cent from the previous weeks' average price of \$139.02 per ckg. The Canadian dollar edged lower declining 0.12 cents to close Friday at 75.09 cents; down from the previous Friday's close of 75.21 cents.

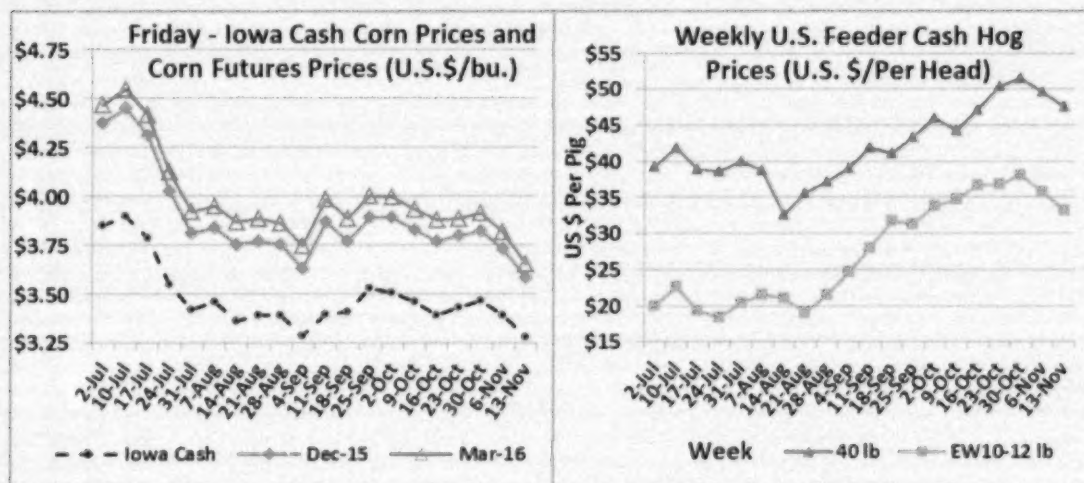
Futures Markets

United States Lean hog futures daily prices were mixed over the week but ended lower, week-over-week. The nearby December contract declined slightly (US\$0.200 per cwt) to settle Friday at US\$54.800 per cwt, while the February 2016 contract declined US\$1.250 per cwt to settle Friday at US\$57.050 per cwt. The December lean hog futures contract

reached a low price not established since October 2009, while the February contract reached a low price not established since February 2009.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices moved lower last week. Weighted average cash prices for iso-weans (12lb) last week were US\$33.12 per head, down US\$2.61 per head from US\$35.73 per head the previous week. Feeders (40lb) were US\$47.46 per head, down \$2.10 per head from US\$49.56 per head the previous week.



Source: LMIC

Source: Iowa Agriculture, CME

Iowa cash corn prices moved lower again last week declining 11 cents to settle Friday at US\$3.28 per bushel. U.S. corn futures prices were down significantly Tuesday to lead prices lower last week. USDA had revised estimated corn production and ending corn stocks higher for 2015/16. The December corn futures contract declined almost 15 cents over the week to settle Friday at \$3.58¼ per bushel, while the March 2016 contract declined over 16 cents to settle Friday at \$3.65½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending November 14 were estimated at 2.388 million head, up 1.2 per cent from 2.360 million head the previous week, and up 7.4 per cent from 2.223 million head the same week a year ago. This was the largest weekly hog slaughter number achieved since December 2012. U.S. hogs slaughtered over the last four weeks ending November 14 averaged 2.331 million head per week, up 6.1 per cent from 2.197 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Nov. 7, 2015 were estimated at 429,969 head, up 2.5 per cent from 419,613 head the previous week, and up 0.3 per cent from 428,568 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending November 7, 2015, were estimated to average 409,320 head, up 0.6 per cent from 406,848 head over the same period a year ago. Year-to-date, Canadian hogs slaughtered are estimated at 18.022 million head, up 2.6 per cent from 17.572 million head over the same period in 2014.

Meat Production

U.S. pork production for the week ending November 14, 2015 was estimated at 506.9 million lb., up 1.5 per cent from 499.4 million lb. the previous week, and up 6.2 per cent from 477.5 million lb. the same week a year ago. **The weekly pork production of 506.9 million lb. was a new record high established.** Pork production over the last four week's ending November 14 was estimated to average 494.8 million lb., up 4.9 per cent from 471.5 million lb. over the same four week period a year ago.

U.S. beef production for the week ending November 14 was estimated at 471.9 million lb., down 1.5 per cent from 478.9 million lb. the previous week, but up 1.1 per cent from 466.6 million lb. the same week a year ago.

Cutout Values

U.S. pork cutout values for the week ending November 14, 2015 averaged US\$75.26 per cwt, down US\$1.65 per cwt or 2.1 per cent from US\$76.91 per cwt the previous week, and down 21.1 per cent from US\$95.37 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending November 14, 2015 averaged US\$213.79 per cwt, down US\$4.74 per cwt or 2.2 per cent from US\$218.53 per cwt the previous week, and down 14.8 per cent from US\$250.81 per cwt a year ago.

Average chicken cutout values (breast) for the week ending November 14, 2015 averaged US\$106.07 per cwt, down 1.6 per cent from US\$107.79 per cwt the previous week, and down 26.6 per cent from US\$144.55 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On November 10, the USDA released the November World Agricultural Supply and Demand Estimates (WASDE). United States November corn production estimates were increased by 1.3 bushel per acre from October to 169.3 bushels per acre, on 80.7 million acres harvested. U.S. corn production estimates for November totaled 13.654 billion bushels, up 99 million bushels from October. USDA estimates were higher than the average trade estimates of 168.4 bushels per acre and total estimated production of 13.579 billion bushels. Lower overall corn usage along with reduced exports pushed ending corn stock estimates up 12.7 per cent from October to 1.760 billion bushels. U.S. farm corn price estimates were reduced by fifteen cents per bushel to range between US\$3.35 and US\$3.95 per bushel for 2015/16.

The USDA WASDE report estimated that United States Red Meat and Poultry production for 2015 will be 94.751 billion lb., a slight increase from the October estimates, and a 2.80 per cent increase from 2014 production. United States meat production for 2015 is projected to increase for pork (+7.29%), broilers (+4.3%), but decrease for beef (-2.2%) and turkeys (-3.23%), from 2014. Beef production estimates were reduced from October as more cattle kept on feed longer will reduce immediate supply pushing production forward into 2016. Pork production estimates were reduced from October as hog slaughter weights have come down with lower hog prices due to higher slaughter numbers. United States meat production for 2016 is projected to increase 2.9 per cent to 97.529 billion lb. from 2015. Leading the way the biggest increases are projected to come from beef (+4.8%) and turkey (+7.9%).

USDA November World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat & Poultry
		Beef	Pork	Broiler	Turkey	
2013	Annual	25,720	23,187	37,830	5,806	93,333
2014	Annual	24,252	22,843	38,550	5,756	92,171
2015	Oct. Proj.	23,794	24,581	40,037	5,543	94,702
2015	Nov. Proj.	23,715	24,508	40,207	5,570	94,751
% Chg.	Oct. - Nov. 15	-0.33%	-0.30%	0.42%	0.49%	0.05%
% Chg.	2014-2015	-2.21%	7.29%	4.30%	-3.23%	2.80%
2016	Nov. Proj.	24,850	24,925	40,975	6,010	97,529
% Chg.	2015-2016	4.79%	1.70%	1.91%	7.90%	2.93%

Source: USDA November WASDE Report, November 10, 2015

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098

brad.marceniuk@gov.sk.ca